

# Monthly Employment Report for July 2017



Employment estimates in this report are generated by the U.S. Bureau of Labor Statistics (BLS).

Monthly employment estimates are subject to revision in subsequent months when more sample data become available.

BLS data in this report are rounded to the nearest 100.

On a seasonally adjusted basis, preliminary estimates from the federal Bureau of Labor Statistics (BLS) indicate nonfarm employment in Washington rose by 1,600 from June 2017 to July 2017.<sup>1</sup> BLS estimates the private sector lost 3,700 jobs during the month and the public sector gained 5,300 jobs.

On a not seasonally adjusted basis, estimates for July 2016 through July 2017 indicate an increase in employment of 85,200 for the state. The private sector added 67,900 jobs while the public sector gained an estimated 17,300 jobs over the year.

Washington's preliminary seasonally adjusted unemployment rate for July 2017 is 4.5 percent. The revised estimated June 2017 unemployment rate was at 4.5 percent. The July 2016 unemployment rate was 5.5 percent.

BLS estimates of monthly job gains and losses are based on a survey of businesses. Preliminary estimates are subject to revision. June's preliminary estimated gain of 2,500 jobs was revised to a gain of 4,200 jobs.

For more information, call Paul Turek, labor economist at 360-407-2306.

## Resident civilian labor force and unemployment, seasonally adjusted

The **resident civilian labor force** is the total number of people in the workforce, employed and unemployed, ages 16 and up.

The number of **unemployed** is the estimated number of people who currently do not have a job, are available for work and have actively looked for work in the last four weeks.

The **unemployment rate** is the ratio of the estimated number of unemployed divided by the civilian labor force.

Resident civilian labor force and unemployment, seasonally adjusted United States and Washington state, June and July, 2016 and 2017  
Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

	July 2017 (Preliminary)	June 2017 (Revised)	July 2016 (Revised)	June 2016 (Revised)
<b>United States</b>				
Unemployment rate				
<i>Seasonally adjusted</i>	4.3%	4.4%	4.9%	4.9%
<b>Washington</b>				
Unemployment rate	4.5%	4.5%	5.5%	5.5%
Resident labor force	3,709,100	3,696,000	3,648,600	3,639,700
Unemployed	167,900	167,300	199,900	201,100
<b>Seattle/Bellevue/Everett</b>				
Unemployment rate	3.5%	3.4%	4.0%	4.1%
Resident labor force	1,636,300	1,640,000	1,622,700	1,618,500
Unemployed	57,300	56,100	64,800	65,900

<sup>1</sup>Most of the employment numbers discussed in this report refers to jobs, not persons. For example, if a person holds two positions, these positions are counted as two jobs in the employment series. In the section titled "Unemployment," these positions refer to individuals, not jobs. In this case, a person holding two jobs is counted only once.

## Unemployment, seasonally adjusted

The BLS estimates Washington's preliminary seasonally adjusted unemployment rate for July 2017 was 4.5 percent. The revised estimated June 2017 unemployment rate was 4.5 percent.

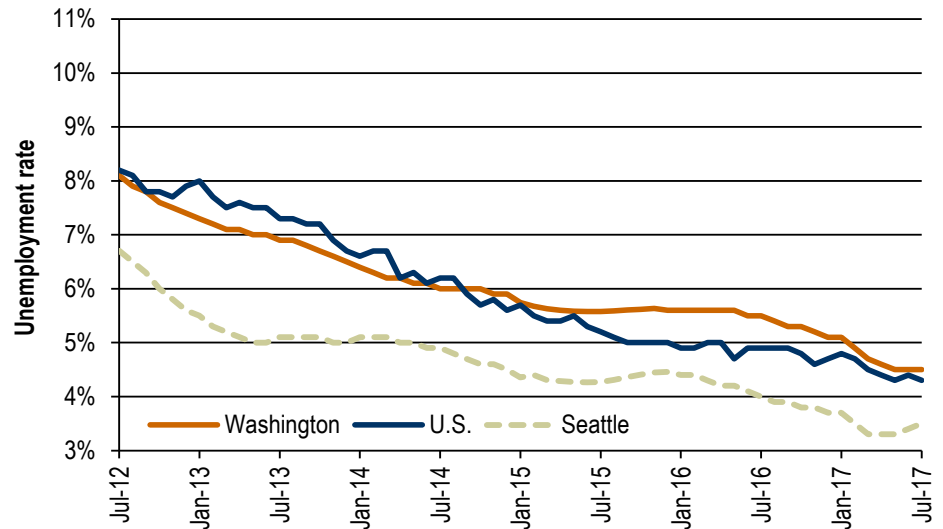
According to BLS estimates, the number of unemployed people rose by 600 in July 2017 compared to June 2017. At the same time, the number of employed people rose by an estimated 12,500. Overall, this amounted to an increase of 13,100 people in the labor force.

The preliminary July 2017 unemployment rate is 1.0 percentage points below the July 2016 rate of 5.5 percent.

### Unemployment rates, seasonally adjusted

U.S., Washington and Seattle, July 2012 through July 2017

Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics



**July 2017 preliminary unemployment rates:**

U.S. (preliminary) 4.3%  
 Washington (preliminary) 4.5%  
 Seattle area (preliminary) 3.5%

## Employment change and moving average, seasonally adjusted

Based on BLS estimates, Washington state nonfarm employment increased by 1,600 jobs from June 2017 to July 2017.

Recent employment change  
**May 2017:** up 3,500 jobs (revised)

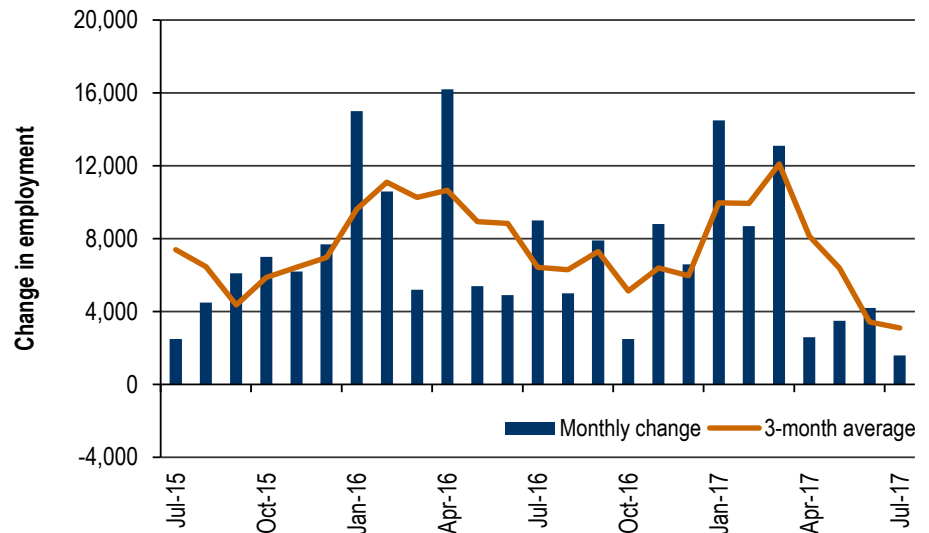
**June 2017:** up 4,200 jobs (revised)

**July 2017:** up 1,600 jobs (preliminary)

### Monthly employment change and three-month moving average, seasonally adjusted

Washington state, July 2015 through July 2017

Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Current Employment Statistics



## Employment and unemployment, seasonally adjusted

### February 2008

(start of recent employment recession in Washington)

Nonfarm employment: 3,005,700  
Unemployment rate: 4.8%

### February 2010

(end of recent employment recession in Washington)

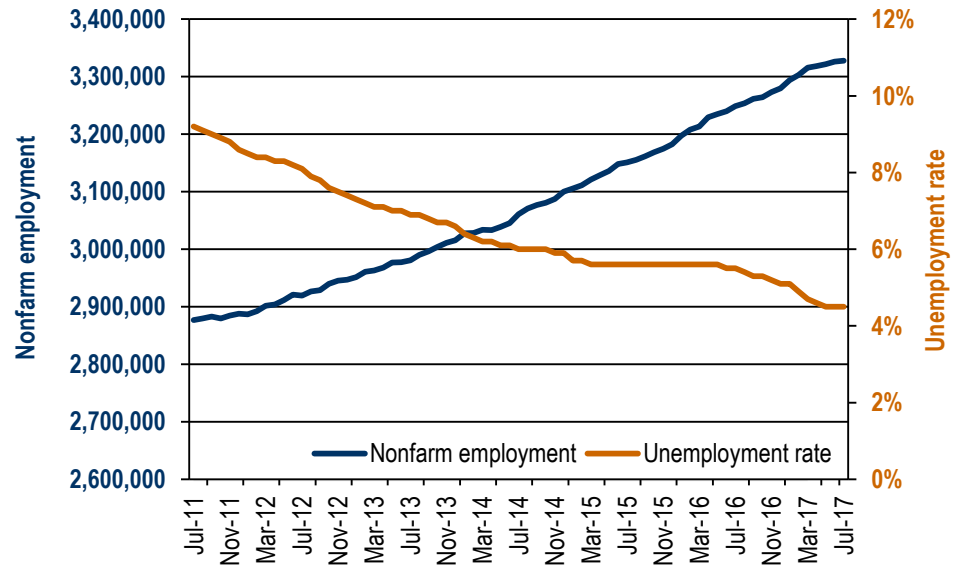
Nonfarm employment: 2,823,400  
Unemployment rate: 10.3%

### July 2017 (preliminary)

Nonfarm employment: 3,327,700  
Unemployment rate: 4.5%

### Nonfarm employment and unemployment rate, seasonally adjusted Washington state, July 2011 through July 2017

Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Current Employment Statistics, Local Area Unemployment Statistics



## Understanding what seasonally adjusted means

Over the course of a year, the size of the state's labor force and the levels of employment and unemployment undergo sharp fluctuations due to such seasonal events as changes in weather, reduced or expanded production, harvest, major holidays and the opening and closing of schools. The effect of such seasonal variation can be very large; seasonal fluctuations may account for as much as 95 percent of the month-to-month changes in unemployment at the national level.

Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from one month to the next. These adjustments make non-seasonal developments, such as declines in economic activity, easier to spot. For example, the large number of youth entering the labor force each June is likely to obscure any other changes that have taken place relative to May, making it difficult to determine if the level

of economic activity has risen or declined. However, because the effect of students finishing school in previous years is known, the statistics for the current year can be adjusted to allow for a comparable change. The adjusted figure provides a more useful tool with which to analyze changes in economic activity.

Source: U.S. Bureau of Labor Statistics

## U-6 unemployment rate

### U-6: Broader unemployment measure declined during the second quarter

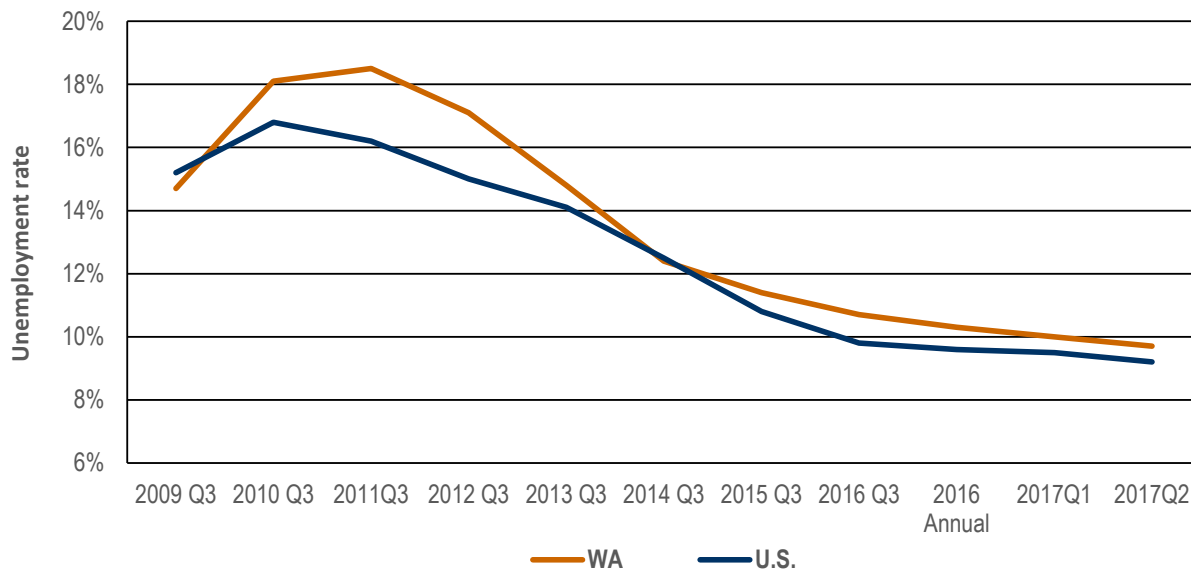
The U.S. Bureau of Labor Statistics (BLS) recently updated its “alternative measures of labor underutilization” for states to include the 2016 annual averages. One such alternative measure is the U-6 rate, which considers not only the unemployed population in the official “U-3” unemployment rate, but

also marginally attached workers and those employed part time for economic reasons. The U-6 rate is defined by BLS as the “total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.” This U-6 measure measures the “unemployed, underemployed, and those who are not looking but who want a job”

The U-6 unemployment rate for the third quarter of 2016 through the second quarter of 2017 for Washington state was 9.7 percent. This was lower compared to the 10.7 percent U-6 unemployment rate one year prior. The U.S. U-6 unemployment rate was 9.2 percent over the same time period.

### Alternate measures of labor underutilization, four quarter moving average Washington state versus U.S. U-6 unemployment rate

U-6: Total unemployed, plus all other marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force.



Year	WA/U.S.	Q1	Q2	Q3	Annual average
2017	WA	10.0%	9.7%		
	U.S.	9.5%	9.2%		
2016	WA	10.9%	10.7%	10.7%	10.3%
	U.S.	10.1%	9.9%	9.8%	9.6%
2015	WA	12.0%	11.7%	11.4%	11.0%
	U.S.	11.6%	11.3%	10.8%	10.4%
2014	WA	13.3%	12.8%	12.4%	12.5%
	U.S.	13.4%	12.9%	12.5%	12.0%
2013	WA	16.4%	15.7%	14.8%	14.0%
	U.S.	14.5%	14.3%	14.1%	13.8%
2012	WA	17.6%	17.0%	17.1%	16.9%
	U.S.	15.6%	15.3%	15.0%	14.7%
2011	WA	18.4%	18.7%	18.5%	17.8%
	U.S.	16.5%	16.3%	16.2%	15.9%
2010	WA	17.2%	17.4%	18.1%	18.4%
	U.S.	16.7%	16.8%	16.8%	16.7%

Source: Bureau of Labor Statistics: <http://www.bls.gov/lau/stalt.htm>

## Industry employment in Washington, seasonally adjusted

### One-month employment change by industry

Based on a BLS survey of businesses and governments, Washington gained an estimated 1,600 jobs during the month, on a seasonally adjusted basis:

- Overall, six industries expanded employment in July, six contracted, and one was unchanged.
- Private sector employment is estimated to have decreased by 3,700 and government employment increased by 5,300.
- Government employment rose by 5,300 due primarily to seasonal gains in education services.
- The number of jobs in retail trade increased by 700, with 600 jobs added by motor vehicle and parts dealers.
- Manufacturing employment fell by 1,000, led by a decrease of 900 in nondurable goods production employment.
- Construction employment fell by 1,300 overall, as a decrease of 2,300 in the employment of specialty trade contractors outweighed gains of 800 in building construction and 200 in heavy and civil engineering.
- Employment in leisure and hospitality decreased by 2,600 overall, with 1,300 fewer jobs occurring in accommodation and food services, and 1,300 fewer in arts, entertainment and recreation.

Estimated one-month employment change by industry, seasonally adjusted  
Washington state, June 2017 through July 2017

Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Current Employment Statistics

<b>Total nonfarm</b>	<b>1,600</b>
Government	5,300
Education and health services	2,000
Retail trade	700
Wholesale trade	600
Information	100
Financial activities	100
Mining and logging	0
Professional and business services	-300
Transportation, warehousing and utilities	-400
Manufacturing	-1,000
Construction	-1,300
Other services	-1,600
Leisure and hospitality	-2,600

## Industry employment in Washington, not seasonally adjusted

### Change by industry over the year

Based on a BLS survey of businesses and governments, Washington added an estimated 85,200 jobs from July 2016 through July 2017:

- Overall, eleven major industries expanded and two declined.
- Private sector employment rose 2.5 percent, up an estimated 67,900 jobs.
- Public sector employment increased 3.1 percent, a net gain of 17,300 jobs.
- Employment in construction is up 12,400 with the number employed as specialty trade contractors up 7,300.
- Education and health services employment increased by 11,500 with 5,600 of the jobs added in ambulatory healthcare services.
- Professional and business services employment increased by 11,100, led by an 8,900 increase in professional, scientific and technical services.
- Retailers added 10,100 jobs. Other retail trade, which includes online retail trade, was up by 5,700 jobs.
- Employment in manufacturing is down by 5,900 overall, with a decrease of 7,000 in durable goods production outweighing an increase of 1,100 in nondurable goods production.

Estimated employment change by industry over the year, not seasonally adjusted  
Washington state, July 2016 through July 2017

Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Current Employment Statistics

<b>Total nonfarm</b>	<b>85,200</b>
Government	17,300
Construction	12,400
Education and health services	11,500
Professional and business services	11,100
Retail trade	10,100
Leisure and hospitality	8,900
Financial activities	5,800
Other services	4,500
Wholesale trade	4,100
Information	3,800
Transportation, warehousing and utilities	1,800
Mining and logging	-200
Manufacturing	-5,900

## Seasonally adjusted employment

Seasonally adjusted numbers account for normal seasonal patterns that occur year after year, such as strong seasonal hiring in retail trade around the holidays. Taking into account normal seasonal variations makes it possible to see unusual changes in employment levels.

**Normal seasonal change** is the expected monthly change in employment based on history.

**Estimated change** is the employment change over the month based on BLS survey data.

**Seasonally adjusted change** is change in employment accounting for normal seasonal patterns.

Normal seasonal change, estimated change and seasonally adjusted change  
Washington state, July 2017

Source: Employment Security Department/WITS; U.S. Bureau of Labor Statistics, Current Employment Statistics

	Normal seasonal change	Estimated change	Seasonally adjusted change
<b>Total nonfarm</b>	<b>-9,400</b>	<b>-7,800</b>	<b>1,600</b>
Leisure and hospitality	4,100	1,500	-2,600
Construction	2,800	1,500	-1,300
Professional and business services	2,300	2,000	-300
Manufacturing	2,300	1,300	-1,000
Retail trade	1,900	2,600	700
Other services	1,800	200	-1,600
Financial activities	1,300	1,400	100
Information	1,000	1,100	100
Transportation, warehousing and utilities	800	400	-400
Wholesale trade	200	800	600
Mining and logging	100	100	0
Education and health services	-7,100	-5,100	2,000
Government	-20,900	-15,600	5,300

Based on historical patterns, Washington employment typically decreases by 9,400 from June to July. This year the state lost an estimated 7,800 jobs, amounting to a seasonally adjusted increase of 1,600 jobs.

- Employment in leisure and hospitality normally rises by 4,100. It is estimated to have increased by 1,500 this July yielding a loss of 2,600 on a seasonally adjusted basis.
- The estimated employment increase in construction was 1,500. The normal seasonal increase is 2,800, so on a seasonally adjusted basis, construction employment fell by 1,300.
- The change on a seasonally adjusted basis was a loss of 300 jobs in professional and business services in July. The normal seasonal increase is 2,300. It is estimated to have increased by 2,000 this July.
- The normal seasonal gain in manufacturing employment is 2,300 in July. The estimated increase was 1,300 so employment decreased by 1,000 on a seasonally adjusted basis.
- Typically, retail trade employment increases by 1,900 in July. On a seasonally adjusted basis, retail trade employment rose by 700 as the estimated increase was 2,600.

## Benchmarking highlights

Benchmarking is a process that replaces employment estimates with the actual number of job gains or losses.

Each month, economists estimate monthly job gains and losses based on a survey of employers. Each quarter, economists benchmark the estimates by replacing them with data from employer tax records before applying seasonal adjustments.

Benchmarked employment data are now available through March 2017. Employment estimates for July 2017 presented in this report were based on the new data, plus seasonal adjustments.

Based on benchmarked March 2017 data:

- The two largest upward revisions were for leisure and hospitality, and professional and business services, up 5,400 and 4,400, respectively.
- Education and health services had the largest downward revision, 2,000.

Quarterly benchmarked industry employment, seasonally adjusted  
Washington state, March 2017

Source: Employment Security Department/WITS, Quarterly Census of Employment and Wages

Industry sector	Revisions to March 2017 employment level
<b>Total nonfarm</b>	<b>21,400</b>
Leisure and hospitality	5,400
Professional and business services	4,400
Construction	3,900
Retail trade	3,500
Wholesale trade	2,700
Manufacturing	1,200
Government	1,000
Transportation, warehousing and utilities	900
Other services	400
Information	300
Financial activities	-100
Mining and logging	-200
Education and health services	-2,000



## Contact an economist

Our statewide economist and six regional economists serve customers in their areas for WorkSource offices, workforce development councils, non-profit organizations, higher education, businesses and the news media. They can help you find and use labor market data, fulfill special data requests and answer questions about the state and local labor markets. Get in touch with your regional economist to get the local information you need.

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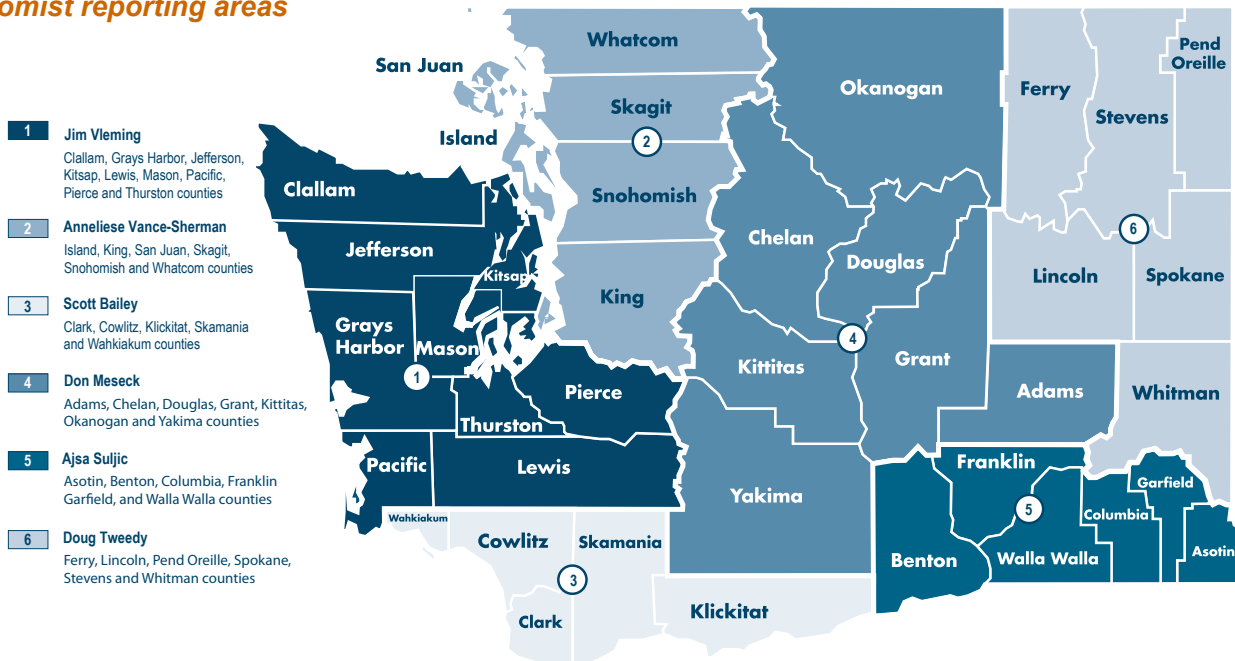
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### Washington state regional labor economist reporting areas



**Note:** Due to changes in the processing of the monthly employment data by the U.S. Bureau of Labor Statistics, the county level information will be available at 10 a.m., August 22, 2017. The publication schedule for 2017 can be found at: <https://esd.wa.gov/labormarketinfo/monthly-employment-report>.

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